

Introduced by Senator Florez

February 18, 2010

An act to amend Section 14087.329 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

SB 1170, as introduced, Florez. Medi-Cal: managed care.

Existing law provides for the Medi-Cal program, administered by the State Department of Health Services, under which qualified low-income persons are provided with health care services.

Existing law allows the Director of Health Care Services to contract with any qualified individual, organization, or entity, including counties, to provide services to, or arrange for or case manage the care of, Medi-Cal beneficiaries.

Existing law authorizes the department to establish pilot programs, as prescribed, for the establishment of reimbursement methodologies for local initiative and commercial plans providing services under the above-mentioned contracts.

This bill would make technical, nonsubstantive changes to these provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14087.329 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 14087.329. (a) The department may establish, for local
- 4 initiative and for commercial plans; that are providing services to

1 Medi-Cal beneficiaries under a two-plan model contract with the
2 department, not more than two pilot programs for the establishment
3 of reimbursement methodologies. The reimbursement
4 methodologies shall not be limited to those provided in Section
5 14087.325. The pilot programs may be implemented by amendment
6 to the contract between the department and the local initiative or
7 commercial plan. The department may select the pilot program
8 county or counties on a nonbid basis. The selected counties shall
9 include one county with a sizable number of entities defined in
10 Section 1396d(l)(2)(B) of Title 42 of the United States Code. The
11 department shall review each pilot program annually. Following
12 the review, and notwithstanding any determination made pursuant
13 to subdivision (d), the department shall terminate a pilot program
14 established under this section and shall delete amendments made
15 to the contract implementing the pilot program if the department
16 determines that the pilot program creates any additional cost to
17 the General Fund. The department may also terminate a pilot
18 program based upon criteria specified in the department's contract
19 establishing the pilot program. The department shall provide the
20 local initiative and commercial plan with notice of the department's
21 decision to terminate the pilot program for this reason at least 90
22 days prior to the termination date of the pilot program and deletion
23 of the contract amendments.

24 (b) Each local initiative and commercial plan participating in a
25 pilot program under this section shall make available to the
26 department any and all financial, membership, utilization, and
27 other information reasonably required by the department to conduct
28 the annual review described in subdivision (a). The information
29 may include, but is not limited to, the financial or other records of
30 participating providers. The amendment to the contract between
31 the local initiative or commercial plan and the department
32 establishing the pilot program shall specify a reasonable timeframe
33 in which the commercial plan or local initiative shall furnish
34 records to the department pursuant to the request of the department.

35 (c) In assessing whether the pilot program creates any additional
36 cost to the General Fund, as described in subdivision (a), the
37 department shall specifically consider all of the following factors,
38 and may consider additional factors:

39 (1) Increases in the number of Medi-Cal beneficiaries assigned
40 by the plan to cost-based primary care providers. To enable the

1 department to evaluate these factors, the department may include
2 in the contract amendments establishing the pilot program a
3 requirement that contractors shall periodically report data regarding
4 the number of plan members assigned to each cost-based primary
5 care provider in the plan's network.

6 (2) Expansions in the services provided by providers entitled
7 to cost-based reimbursement under the Medi-Cal program.

8 (3) Medi-Cal caseload or plan membership growth.

9 (4) Inflation or other reasonable costs of provider operations.

10 (5) The necessity for a plan to assign plan members to specific
11 primary care providers to meet all of the following requirements:

12 (A) Medi-Cal contract requirements for access to care.

13 (B) Unique Medi-Cal member cultural and linguistic needs.

14 (C) Unique member needs for age-appropriate,
15 gender-appropriate, or pregnancy care requirements.

16 (d) The pilot program shall be deemed to be successful if the
17 alternative reimbursement methodologies tested result in no
18 additional cost to the General Fund as described in subdivision
19 (c), and the local initiatives, commercial plans, and federally
20 qualified health centers participating in the pilot program agree to
21 accept full financial risk for the scope of services provided by the
22 federally qualified health centers during the final year of the pilot
23 program.